



# INTERNATIONAL EGG AND POULTRY REVIEW



U.S. Department of Agriculture	Agricultural Marketing Service	Poultry Programs	Market News and Analysis
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## China

Total meat production for 2012 is being forecast to increase 3% from 2011. Beef is estimated to account for 7%, pork 63%, sheep 6% and poultry meat 23% of total meat production in 2012.

Pork is a staple in China's diet and because it accounts for most of Chinese meat consumption it is a major driver of prices in the meat market. Surging pork prices in 2011 became a top policy concern for China as affordable pork is considered important for social stability. Pork production in 2012 is estimated to increase 4% following a 3% decline in 2011. The increase in pork production is the result of high prices and a resumption of production subsidies. Even with an expected recovery in pork production, fueled by a strong demand pork imports are forecast to rise 8%, pork offal up 10% and live swine increase 20%.

Broiler meat is the second largest animal protein in China and as a result plays an import role when pork supplies are short. The record high pork prices in 2011 along with China's implementation of anti-dumping duties (AD) and countervailing duties (CVD) in 2010 have helped push broiler meat prices to their highest level in 4 years.

The considerably higher pork prices in 2011 combined with lower expected lower broiler meat imports in 2012 are helping to cause rising broiler meat production. Broiler meat production is expected to increase 5% in 2011 and another 5% in 2012 to 13.8 million metric tons (MMT). Because broiler meat is more efficiently produced than red meat it is less affected by China's high feed costs resulting in broiler meat production growth outpacing all other meats in 2011. High pork prices are forecast to continue into 2012.

The increase in Chinese broiler production is also being supported by a shift to larger standardized commercial production which boosts disease control. The larger farms have isolated facilities resulting in reduced risks of spreading highly pathogenic avian influenza (HPAI). HPAI is China's greatest avian disease threat affecting mostly backyard and other small operations. These larger operations continue to increase and now account for a significant share of the poultry meat output while the number of small sized operations continues to shrink.

China's broiler meat consumption for 2011 is expected to increase 5% over 2010 and increase another 4% for 2012 to 14 MMT as broiler meat continues to be a lower cost alternative to red meat. Consumption of turkey, goose and duck is also on the increase.

Meanwhile, broiler meat (not including chicken claws) are forecast to decline 13% in 2012 to 200,000 metric tons following a 20% drop in 2010. Chicken claw imports, which account for over two-thirds China's broiler imports, are forecast to drop 42% in 2011 to 300,000 metric tons in response to AD and CVD measures against U.S. broiler meat exports.

U.S. broiler meat exports (minus chicken claws) are forecast to drop 20% in 2012 to 24,000 metric tons following a 51% drop in 2011. Chicken claw imports are forecast to decline 15% in 2012 to 21,500 metric tons following a 75% drop in 2011. Limited volumes of U.S. claw exports will continue to China despite the AD and CVD duties due to the strong demand.

Before implementation of the AD and CVD duties the U.S. was China's largest broiler product supplier. In 2009 the U.S. accounted for 85% of China's broiler imports. Currently, the U.S. has only a 10% market share. Higher shipments from South America have been unable to completely offset the loss of imports from the U.S. due to capacity limitations.

## Turkey

Turkey products are mostly consumed in larger cities with better economies and consumers willing to try new products. Almost all turkey products are imported given the small local production. Mostly in response to higher domestic pork and broiler meat prices turkey meat shipments in 2011 will be 70% higher than 2010. In 2012 Chinese turkey meat imports are being forecast to increase approximately 21% to an estimated 39,000 metric tons.

The U.S. has been the largest supplier of China's turkey meat imports providing almost 90% of China's total turkey meat imports. It is anticipated in 2012 this is unlikely to change.

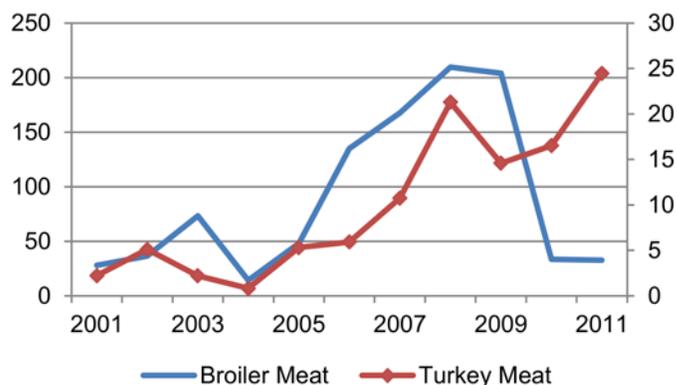
## Eggs

China is the world's largest poultry egg producing country. They do not import table eggs. Total production is forecast to grow 1% in 2012 to 28.3 MMT from 27.9 MMT in 2011. Current year production is slightly higher than previous forecasts because of better control of avian Leucosis virus. Egg producers in China are also facing higher production costs which are making producers less willing to expand. Labor shortages are also anticipated to become a concern in 2012.

Over 90% of fresh table egg exports are to Hong Kong, Macau and Japan. In response to higher egg export prices caused by domestic inflation egg exports are expected to fall over 3%. For the January-July, 2011 time frame export prices rose 24% for the Hong Kong and Macau markets.

Source: USDA, Foreign Agricultural Service GAIN Reports

**U.S. Broiler and Turkey Meat  
January-July China Export Comparisons  
(Thousand Metric Tons)**



Source: USDA, Foreign Agricultural Service

**Inspected Egg Products-U.S. & Canada Import/Export Trade**

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	97	49	1,790	3,057
Frozen	0	0	0	88
Dried	0	79	139	424
Total	97	128	1,929	3,569

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Liquid	114	226	12,327	15,711
Frozen	48	41	808	521
Dried	0	0	48	151
Total	162	267	13,183	16,383

**Inspected Shell Eggs**

**U.S Exports to Canada, In 30-Dozen Cases (Preliminary)**

Type	Year-To-Date*			
	2011	2010 /1	2011 /2	2010
Jumbo	0	0	0	0
Extra Large	2,910	1,530	70,309	66,031
Large	6,790	3,850	136,554	114,415
Medium	1,590	750	33,721	34,972
Ungraded	14,148	7,866	149,624	211,033
Misc	0	0	1,440	900
Total	25,438	13,996	391,648	427,351

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

\*Note: Year to-date totals reflect comparable time periods.

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**U.S./Canadian Live Poultry Slaughtered Under Inspection**

Week Ending Oct 15, 2011 (Preliminary)

	U.S. fowl slaughtered domestically		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,249	1,710	2,959
Last Week	1,452	1,789	3,241
Same week yr ago	1,274	1,529	2,803
To-date/2011*	55,948	63,779	119,727
To-date/2010*	57,836	57,947	115,783

	U.S. fowl slaughtered in Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Last Week	183	0	183
Same week yr ago	220	25	245
To-date/2011*	14,642	421	15,063
To-date/2010*	14,005	398	14,403
Last Week	183	0	183

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

	Total U.S. fowl slaughtered in the U.S. and Canada		
	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,493	1,723	3,216
Last Week	1,635	1,789	3,424
Same week yr ago	1,494	1,554	3,048
To-date/2011*	70,590	64,200	134,790
To-date/2010*	71,841	58,345	130,186

\*Note: Year to-date totals reflect comparable time periods.

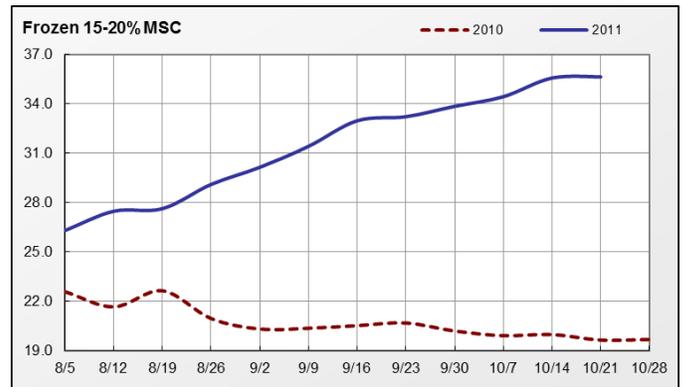
**National Mechanically Separated Chicken**

(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

Prices trended steady to firm on frozen 15-20% and steady on the balance of fat contents. Supplies of MSC were light to heavy. Schedules were normal. Domestic demand was light to moderate. Export demand was moderate to good with good interest on frozen 15-20% for Asia, Central America, and the Caribbean. On the spot market, frozen 15-20% continues strong, however fresh 15-20% has lost some of its luster leaving many to wonder where it will settle. A multitude of factors (i.e. high input costs, production, raw material availability, demand for finished goods, etc.) continue to hold sway on the direction of the market making it exceedingly more difficult to predict than in years past. Contract negotiations are in full swing for most of the industry and many are scrambling to take position as the competition is fierce for 2012. However a huge disparity in thinking exists regarding pricing structure and level between buyers and sellers leaving little to report in the way of conclusion. Market activity was moderate to instances active. Supplies of raw materials were light. Frames traded between 12.5-14.5 cents FOB.

**Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	21-Oct-11	Last Week	Last Year	21-Oct-11	Last Week	Last Year
<b>15% or Less</b>						
Price Range			-	30.00 - 31.00	29.00 - 31.00	18.00-19.00
Wtd Avg Price			-	30.78	30.60	18.57
Volume Traded	-	-	-	184	204	143
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Price Range	32.00 - 40.00	33.00 - 39.00	15.00-22.00	21.00 - 33.00	23.00 - 34.00	13.00-20.00
Wtd Avg Price	35.64	35.57	19.64	27.89	28.32	15.40
Volume Traded	2,367	1,954	1,837	3,498	4,233	3,154
Volume Exported	2,087	1,874	1,557	653	1,306	898
<b>20% or More</b>						
Price Range	-	-	-	-	-	18.00
Wtd Avg Price	-	-	-	-	-	18.00
Volume Traded	-	-	-	-	-	41
Volume Exported	-	-	-	-	-	-

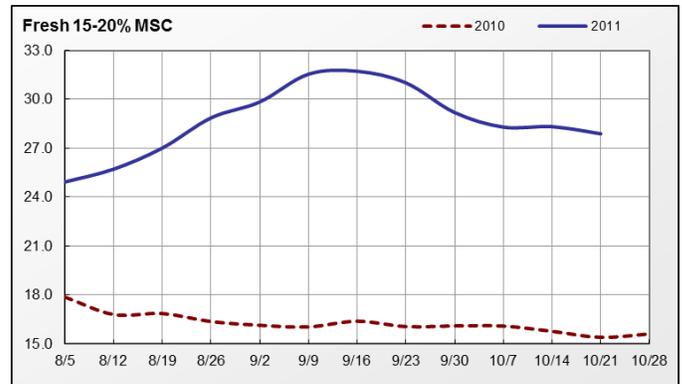


**Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)**

Fat Content	Frozen			Fresh		
	Sep 2011	Aug 2011	Sep 2010	Sep 2011	Aug 2011	Sep 2010
<b>15% or Less</b>						
Wtd Avg Price	-	-	-	32.06	27.24	18.80
Volume Traded	-	-	-	839	592	408
Volume Exported	-	-	-	-	-	-
<b>15-20%</b>						
Wtd Avg Price	32.48	27.62	20.43	30.69	26.57	16.14
Volume Traded	8,432	6,288	6,576	17,023	16,134	12,811
Volume Exported	7,872	5,888	6,336	4,406	2,489	1,999
<b>20% or More</b>						
Wtd Avg Price	-	-	-	-	20.67	17.75
Volume Traded	-	-	-	-	245	163
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.

Source: USDA AMS Poultry Market News & Analysis



Source: USDA AMS Poultry Market News & Analysis

**National Young Turkey Parts**

Including bulk meat and frozen (unless specified), cents per lb., delivered first receivers, part and full trucklots as of 21 Oct 2011.

The market on bulk parts was steady to firm. Demand was moderate to good and short of full needs. Offerings light and held with confidence. The market on white meat is steady. Demand and offerings were light to moderate. The market on thigh meat was firm. Demand was moderate to good. Offerings limited. Trading was slow to moderate. For domestic: frozen tails 47-51 cents, fresh scapula 192 cents, frozen breeder hen destrapped tenders 216 cents, fresh full cut wings 86 cents and fresh tom necks 46 cents. For export: fresh thigh meat 141 cents and fresh tom drums 87 cents delivered to border.

**Export Trading**

	Price Range	L.S.T. Code 1/	Wtd Avg Price	Volume (000)	Weekly Wtd Avg Price	Weekly Volume (000)
<b>Friday, October 21, 2011</b>						
Drumsticks, Toms		R	111.17	162	111.17	162
Wings Full-Cut - Toms						
Wings, V-Type, Tom		R	119.25	324	119.25	324
Tails	51.00		51.00	40	51.50	80
Mechanically Separated 2/ Thigh Meat - Frozen		F	150.00	40		
<b>Thursday, October 20, 2011</b>						
Drumsticks, Toms	110.00-113.50		111.17	162		
Wings Full-Cut - Toms						
Wings, V-Type, Tom	119.00-119.50		119.25	324		
Tails	52.00		52.00	40		
Mechanically Separated 2/ Thigh Meat - Frozen		F	150.00	40		
<b>Wednesday, October 19, 2011</b>						
Drumsticks, Toms		F	120.00	108		
Wings Full-Cut - Toms						
Wings, V-Type, Tom						
Tails		R	51.28	94		
Mechanically Separated 2/ Thigh Meat - Frozen		F	150.00	40		
<b>Tuesday, October 18, 2011</b>						
Drumsticks, Toms		F	120.00	108		
Wings Full-Cut - Toms						
Wings, V-Type, Tom						
Tails		R	51.28	94		
Mechanically Separated 2/ Thigh Meat - Frozen		F	150.00	40		
<b>Monday, October 17, 2011</b>						
Drumsticks, Toms		F	120.00	108		
Wings Full-Cut - Toms						
Wings, V-Type, Tom						
Tails		R	51.28	94		
Mechanically Separated 2/ Thigh Meat - Frozen		F	150.00	40		

1/ Codes For Last Significant Trade (L.S.T.): M=Monday T=Tuesday W=Wednesday R=Thursday F=Friday

2/ Product contains 15-20% fat with skin added.